

Assembly Bill No. 939

Passed the Assembly August 26, 1999

Chief Clerk of the Assembly

Passed the Senate August 24, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor

└

CHAPTER _____

An act to amend and renumber Section 39619 of, and to add Section 17584.1 to, the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 939, Brewer. School facilities deferred maintenance.

Existing law establishes the State School Deferred Maintenance Fund which is continuously appropriated for the purposes for which it is established. Existing law requires the State Allocation Board to apportion, from the State School Deferred Maintenance Fund, a specified amount of funds to school districts on a 50% matching basis, to the extent funds are available.

This bill would require a governing board of a school district to discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing, and would require the board to report to the Legislature by March 1, in any year that the school district does not set aside prescribed funds for facility deferred maintenance, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, the State Allocation Board, and the public. By establishing these additional requirements, this bill would impose a state-mandated local program.

This bill would make a technical, nonsubstantive conforming change related to the reorganization of related provisions pursuant to Chapter 227 of the Statutes of 1996.

This bill would make technical changes to conform with AB 148 to be operative only if (1) AB 148 contains certain provisions, and (2) AB 148 is enacted and becomes effective on or before January 1, 2000.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions



establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) Because of the diminishing funds available through the excess repayments from the State School Building Aid Program, the state has been unable to fully fund the maximum amount of its contribution to the deferred maintenance fund authorized by law since the early 1980's.

(b) School districts have the expectation that state funds will be available to match the local funds they set aside to meet their deferred maintenance needs.

(c) The state's practice of not providing consistent, ongoing funding for deferred maintenance purposes has resulted in greater future facilities costs and has reduced the quality of education that can be provided to the state's 5.6 million public school pupils.

(d) If repairs to school facilities are continually deferred, school districts eventually face more expensive investments, including, but not limited to, critical repairs, major rehabilitation, or complete replacement. School districts should be discouraged from deferring maintenance projects in the short run, because inadequate ongoing maintenance reduces the useful life of facilities resulting in increased capital outlay needs, and putting more pressure on schools to access more expensive bond dollars in the long run.



(e) Approximately \$2.4 billion in backlogged, unfunded deferred maintenance needs exist for K–12 schools statewide.

(f) Educational research suggests a positive relationship between pupil achievement and the condition of the facility in which pupils are schooled.

(g) It is important for school facilities to be maintained in order to provide a safe, clean, adequate environment for teachers to teach effectively and for pupils to be educated properly and to excel academically.

SEC. 2. Section 39619 of the Education Code is amended and renumbered to read:

17584. (a) Whenever, in any given fiscal year, a school district has budgeted, exclusive of state matching funds and district funds previously matched pursuant to subdivision (b), in its deferred maintenance fund established pursuant to Section 17582 an amount equal to, or greater than, that amount the district expended from its general fund for major maintenance, repair, or modernization of existing school buildings, as specified in Section 17582, exclusive of categorical aid funds and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account, in either the 1978–79 or 1979–80 fiscal year, adjusted annually to the current fiscal year in conformance with the percentage change in the district revenue limit computed pursuant to Section 42237 or 42238, the Superintendent of Public Instruction shall so certify to the State Allocation Board.

(b) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar (\$1) for each one dollar (\$1) of local funds up to a maximum of $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the total expenditures and ending fund balances of the total general funds and adult education funds for districts of similar size and type, as defined in subdivision (b) of Section 42238.4, for the second prior fiscal year, exclusive of any amounts



expended for capital outlay or debt service, to the extent of funds available.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total expenditures and ending fund balances of the total general funds and adult education funds for districts of similar size and type, as defined in subdivision (b) of Section 42238.4 for the second prior fiscal year, exclusive of any amounts expended for capital outlay or debt service.

SEC. 3. Section 17584.1 is added to the Education Code, to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) In any year that the school district does not set aside $\frac{1}{2}$ of one percent of its current-year revenue limit average daily attendance for deferred maintenance, the governing board of a school district shall submit a report to the Legislature by March 1, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the State Allocation Board.

(c) The report required pursuant to subdivision (b) shall include all of the following:

(1) A schedule of the complete school facilities deferred maintenance needs of the school district for the current year, including a schedule of costs per schoolsite and total costs.

(2) A detailed description of the school district's spending priorities for the current year, and an explanation of why those priorities, or any other considerations, have prevented the school district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to

participate in the state deferred maintenance funding program as set forth in Section 17584.

(3) An explanation of how the governing board of a school district plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Section 17584.

(d) Copies of the report shall be made available at each schoolsite within the school district and shall be provided to the public upon request.

(e) The purposes of this section is to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities, and to provide a foundation for local accountability in that regard.

SEC. 3.5. Section 17584.1 is added to the Education Code, to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the major maintenance of school district facilities at a regularly scheduled public hearing.

(b) In any year that the school district does not set aside one-half of 1 percent of its current-year revenue limit average daily attendance for major maintenance, the governing board of a school district shall submit a report to the Legislature by March 1, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the State Allocation Board.

(c) The report required pursuant to subdivision (b) shall include all of the following:

(1) A schedule of the complete school facilities major maintenance needs of the school district for the current year, including a schedule of costs per schoolsite and total costs.

(2) A detailed description of the school district's spending priorities for the current year, and an explanation of why those priorities, or any other considerations, have prevented the school district from setting aside sufficient local funds so as to permit it to fully fund its major maintenance program and, if eligible, to



participate in the state major maintenance funding program as set forth in Section 17584.

(3) An explanation of how the governing board of a school district plans to meet its current-year facilities major maintenance needs without setting aside the funds set forth in Section 17584.

(d) Copies of the report shall be made available at each schoolsite within the school district and shall be provided to the public upon request.

(e) The purpose of this section is to inform the public regarding the local decisionmaking process relating to the major maintenance of school facilities, and to provide a foundation for local accountability in that regard.

SEC. 4. This bill and A.B. 148 both make amendments relating to funding of school facility maintenance. A.B. 148, in part, renames the State Deferred Maintenance Fund to the School Major Maintenance Match Fund and makes conforming changes relating to related local school district funds. Section 3.5 of this bill contains provisions that conform to the name change relating to the state and local funds proposed in A.B. 148, and Section 3 of this bill does not contain those conforming changes. Therefore, Section 3.5 of this bill shall become operative only if (1) A.B. 148 contains the provisions renaming the related funds, and (2) A.B. 148 is enacted and takes effect on or before January 1, 2000, in which case Section 3 shall not become operative.

SEC. 5. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Approved _____, 1999

Governor

